

# State Budget Proposals Impacting Belmont and all cities

## Governor Davis' Mid-Year Budget Proposals (current year cuts)

1. **Local Street and Road Maintenance Funding in the Traffic Congestion Relief Act:** The elimination of the second, third and fourth quarter 2002-03 apportionments to local agencies for street and road maintenance. \$90 million total cut; \$45 million impact on cities.  
**BELMONT IMPACT: \$20,000**
2. **Redevelopment Agency Low and Moderate Income Housing Funds:** Immediate transfer (to the State General Fund) any balances in the Low and Moderate Income Housing Fund of a Redevelopment Agency that were unencumbered on December 1, 2002. Estimated \$500 million transfer. [Apparently converted to ERAF shift in Jan. 10 budget]  
**BELMONT IMPACT: \$404,000** (based on certain assumptions)
3. **Local Flood Control Subventions:** Reversion of \$58.1m from this program (out of \$128.3 million appropriated in the past three years) to the General Fund. Total city impact unknown.  
**BELMONT IMPACT: no impact**
4. **Public Library Foundation:** Reduction in the Public Library Foundation per capita formula grants to local libraries totaling \$15.8 million.  
**BELMONT IMPACT: no direct impact**
5. **State-Funded Mandates:** Continue the deferral of payment for various budget year and prior year reimbursable non-Proposition 98 mandates. \$769.4 million impact to local governments.  
**BELMONT IMPACT: \$81,000 for City and \$50,000 for Belmont Fire Protection District**

## Governor's FY 2003-04 Budget Proposal

1. **Reduction in Vehicle License Fee Backfill:** Reducing the vehicle license fee backfill to cities and counties by \$1.265 B in 2002-03, and \$2.929 B in 2003-04. This reflects an elimination of all backfill amounts to cities beginning in February, 2003 and going forward. *Total impact on cities: \$553million in FY 02-03; \$1.2 billion in FY 03-04.*  
**BELMONT IMPACT: \$475,000 in current year and \$1 million each year thereafter**
2. **Redevelopment Agency Shift:** For 2003-04, Redevelopment Agencies would be required to pass through, to schools, \$250m in property tax increment revenues. This "shift" would continue and increase in subsequent fiscal years to the reach the full amount of the school district share of property taxes over time. Impact: *\$250 million immediate; over \$1 billion potential future annual impact.*  
**BELMONT IMPACT: \$355,000 (and increases each year thereafter)**
3. **Elimination of Booking Fees Reimbursements:** *\$38 million*  
**BELMONT IMPACT: \$34,000**
4. **Public Library Foundation:** Extends the *\$15.8 million* reduction.  
**BELMONT IMPACT: no direct impact**

**TOTAL BELMONT IMPACT: \$1,945,000**